

# Public Finance Monitor

The Monthly Statistical Bulletin of the Ministry of Finance

## April 2006

### Section 1: Fiscal Overview

#### Highlights:

The total fiscal balance for the January–April 2006 period improved by LL 4 billion, registering a deficit of LL 588 billion compared to LL 592 billion for the same period in 2005. The decrease in total deficit was due to 18 percent increase in total receipts which offset the 14 percent increase in total payments. The total primary surplus increased by 137 percent registering LL 775 billion compared to LL 327 billion for the same period in 2005.

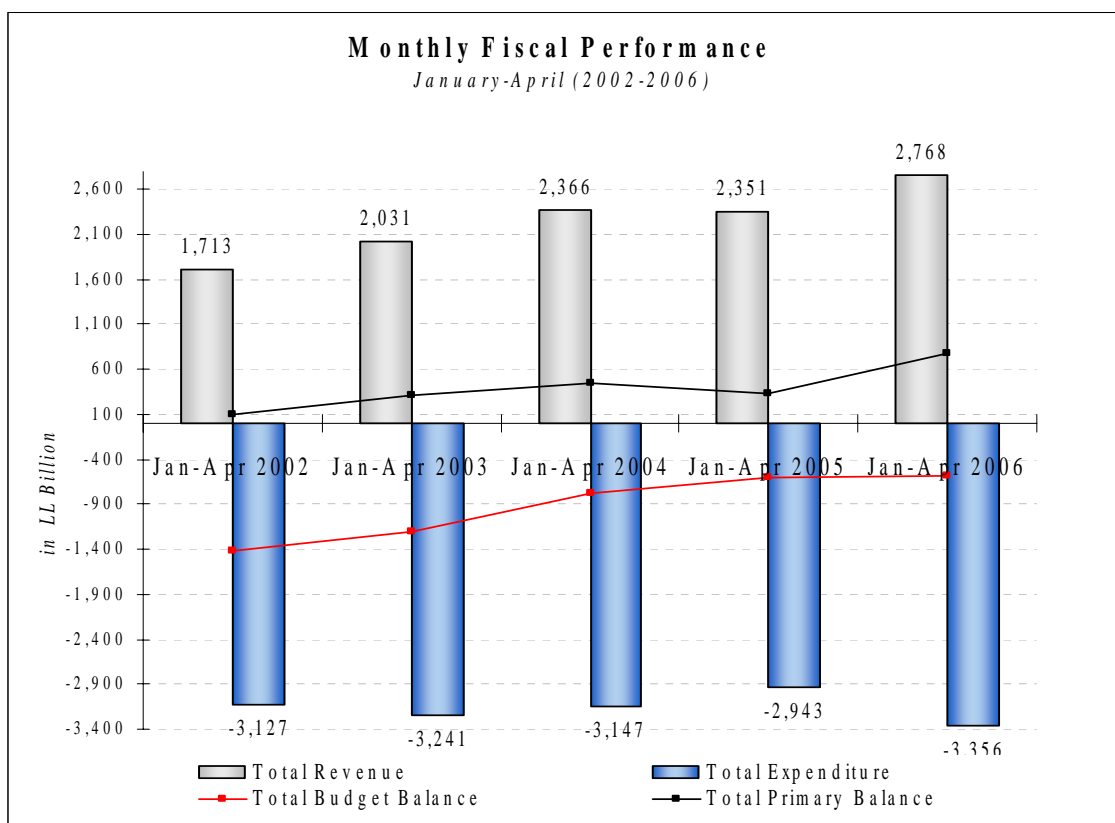
Total receipts increased by LL 135 billion for April 2006, compared to April 2005, while total payments decreased in April 2006 by LL 1 billion compared to April 2005. This led to a total surplus of LL 20 billion in April 2006, and a primary surplus of LL 436 billion, an increase in the primary surplus of LL 329 billion compared to LL 107 billion in April 2005.

**Table 1. Summary of Fiscal Performance**

| (LL billion)                          | 2005        | 2006       | 2005         | 2006         | Change<br>2005-<br>2006 | %<br>Change   |
|---------------------------------------|-------------|------------|--------------|--------------|-------------------------|---------------|
|                                       | April       | April      | Jan-Apr      | Jan-Apr      |                         |               |
| Budget Revenue                        | 611         | 812        | 2,195        | 2,635        | 440                     | 20.0%         |
| Budget Expenditures                   | 658         | 770        | 2,094        | 2,476        | 382                     | 18.2%         |
| <i>o/w Debt Service</i>               | 224         | 417        | 919          | 1,363        | 444                     | 48.4%         |
| <b>Budget Deficit/Surplus</b>         | <b>-48</b>  | <b>42</b>  | <b>101</b>   | <b>159</b>   | <b>58</b>               | <b>57.5%</b>  |
| in % of Budget Expenditures           | -7.2%       | 5.4%       | 4.8%         | 6.4%         |                         |               |
| <b>Budget Primary Deficit/Surplus</b> | <b>177</b>  | <b>459</b> | <b>1,020</b> | <b>1,522</b> | <b>502</b>              | <b>49.3%</b>  |
| in % of Budget Expenditures           | 26.9%       | 59.6%      | 48.7%        | 61.5%        |                         |               |
| Treasury Receipts                     | 92          | 26         | 156          | 133          | -22                     | -14.4%        |
| Treasury Payments                     | 161         | 48         | 849          | 880          | 32                      | 3.7%          |
| Total Budget and Treasury Receipts    | 702         | 837        | 2,351        | 2,768        | 417                     | 17.8%         |
| Total Budget and Treasury Payments    | 819         | 818        | 2,943        | 3,356        | 413                     | 14.0%         |
| <b>Total Cash Deficit/Surplus</b>     | <b>-117</b> | <b>20</b>  | <b>-592</b>  | <b>-588</b>  | <b>4</b>                | <b>-0.7%</b>  |
| in % of Total Expenditures            | -14.3%      | 2.4%       | -20.1%       | -17.5%       |                         |               |
| <b>Primary Deficit/Surplus</b>        | <b>107</b>  | <b>436</b> | <b>327</b>   | <b>775</b>   | <b>448</b>              | <b>137.1%</b> |
| in % of Total Expenditures            | 13.1%       | 53.4%      | 11.1%        | 23.1%        |                         |               |

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

**Chart 1.**



## Section 2: Revenue Outcome

### Highlights:

**Total revenues** collected over the period of January-April 2006 reached LL 2,768 billion compared to LL 2,351 billion during the same period last year, registering an increase of 18 percent mainly due to:

- a) A 20 percent increase in **budget revenues** due to an increase in tax and non-tax components:
  - 17 percent increase in **tax revenues**, which totaled LL 1,878 billion by the end of April 2006. This is due to higher collection on most tax fronts, namely, taxes on income, profits, and capital gains (by LL 14 billion), taxes on property (particularly inheritance tax by LL 162 billion), domestic taxes on goods and services (particularly VAT by LL 59 billion) and other tax revenues (stamp fees by LL 26 billion). These increases have more than offset the 11 percent decrease in revenues from taxes on international trade (customs and excises), which was mainly caused by the 46 percent loss in fuel excise revenues, resulting from the cap on gasoline prices.
  - 28 percent increase in **non-tax revenues**, which totaled LL 757 billion during January-April 2006, mainly owing to LL 145 billion higher transfers from the Telecom Budget Surplus, and LL 13 billion and LL 28 billion increases in the

collection of public security fees/passport fees and vehicles control fees (period of settlement and reduction of penalties)<sup>1</sup> respectively.

- b) A 14 percent decrease in **treasury receipts**, mainly due to a LL 44 billion decrease in municipalities' revenues.

**Table 2. Total Revenue**

| (LL billion)                      | 2005<br>April | 2006<br>April | 2005<br>Jan-Apr | 2006<br>Jan-Apr | % Change      |
|-----------------------------------|---------------|---------------|-----------------|-----------------|---------------|
| <b>Budget Revenues, of which:</b> | <b>611</b>    | <b>812</b>    | <b>2,195</b>    | <b>2,635</b>    | <b>20.0%</b>  |
| <i>Ta Revenues</i>                | 471           | 661           | 1,603           | 1,878           | 17.2%         |
| <i>Non-Tax Revenues</i>           | 139           | 150           | 593             | 757             | 27.7%         |
| <b>Treasury Receipts</b>          | <b>92</b>     | <b>26</b>     | <b>156</b>      | <b>133</b>      | <b>-14.4%</b> |
| <b>Total Revenues</b>             | <b>702</b>    | <b>837</b>    | <b>2,351</b>    | <b>2,768</b>    | <b>17.8%</b>  |

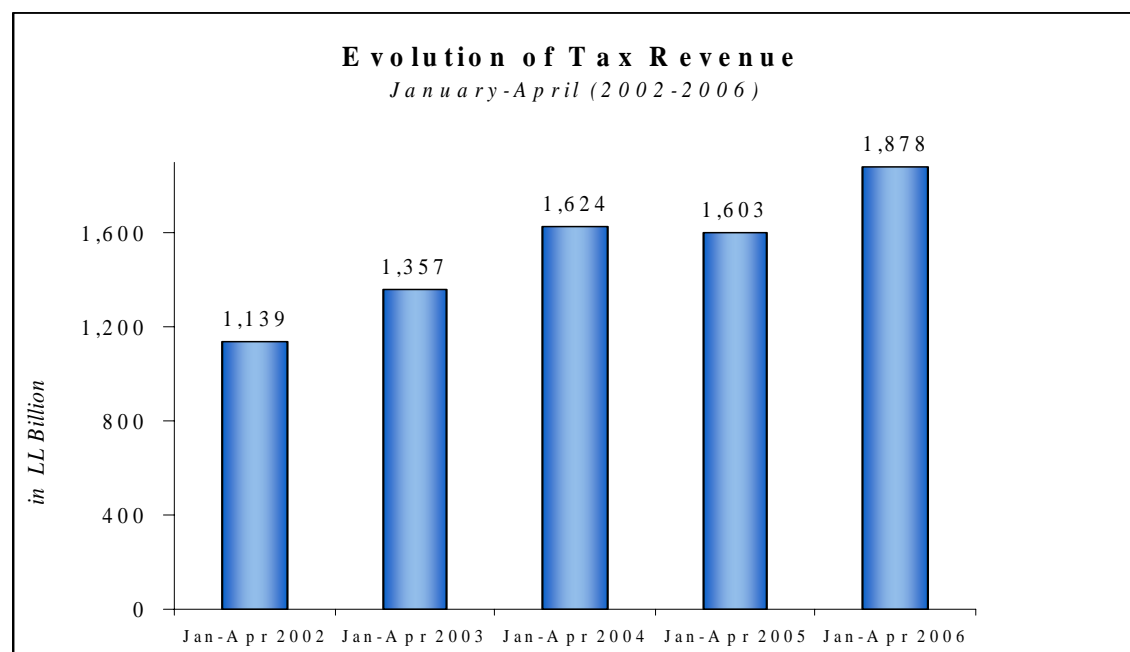
Source: MOF, DGF

<sup>1</sup> Budget law 2005, Law number 715 dated February 3, 2006 article 29

**Table 3. Tax Revenue**

| (LL billion)  | 2005       | 2006       | 2005         | 2006         | %             |
|---|------------|------------|--------------|--------------|---------------|
|   | April      | April      | Jan-Apr      | Jan-Apr      | Change        |
| <b>Tax Revenues:</b>  | <b>471</b> | <b>661</b> | <b>1,603</b> | <b>1,878</b> | <b>17.2%</b>  |
| <b>Taxes on Income, Profits, &amp; Capital Gains, of which:</b> | <b>125</b> | <b>102</b> | <b>338</b>   | <b>352</b>   | <b>4.2%</b>   |
| Income Tax on Profits   | 20         | 11         | 88           | 88           | 0.1%          |
| Income Tax on Wages and Salaries                                | 44         | 40         | 96           | 99           | 2.8%          |
| Income Tax on Capital Gains & Dividends                         | 4          | 9          | 21           | 33           | 59.6%         |
| Tax on Interest Income (5%)                                     | 56         | 40         | 126          | 124          | -1.5%         |
| Penalties on Income Tax   | 1          | 2          | 5            | 6            | 20.0%         |
| <b>Taxes on Property, of which:</b>                             | <b>33</b>  | <b>203</b> | <b>115</b>   | <b>322</b>   | <b>179.6%</b> |
| Built Property Tax  | 12         | 14         | 41           | 50           | 23.0%         |
| Real Estate Registration Fees                                   | 18         | 27         | 64           | 99           | 54.8%         |
| <b>Domestic Taxes on Goods &amp; Services, of which:</b>        | <b>192</b> | <b>241</b> | <b>643</b>   | <b>720</b>   | <b>12.0%</b>  |
| Value Added Tax   | 180        | 225        | 590          | 649          | 10.0%         |
| Other Taxes on Goods and Services, of which:                    | 12         | 16         | 50           | 63           | 27.9%         |
| Private Car Registration Fees                                   | 7          | 11         | 28           | 40           | 40.7%         |
| Passenger Departure Tax   | 4          | 5          | 21           | 23           | 11.4%         |
| <b>Taxes on International Trade, of which:</b>                  | <b>96</b>  | <b>87</b>  | <b>429</b>   | <b>381</b>   | <b>-11.2%</b> |
| Customs   | 37         | 40         | 151          | 154          | 2.3%          |
| Excises, of which:  | 59         | 47         | 278          | 227          | -18.6%        |
| Petroleum Tax   | 31         | 14         | 161          | 87           | -45.7%        |
| Tobacco Tax   | 14         | 12         | 56           | 58           | 3.0%          |
| Tax on Cars   | 14         | 20         | 60           | 81           | 33.9%         |
| <b>Other Tax Revenues (namely fiscal stamp fees)</b>            | <b>24</b>  | <b>29</b>  | <b>77</b>    | <b>103</b>   | <b>33.1%</b>  |

Source: MOF, DGF

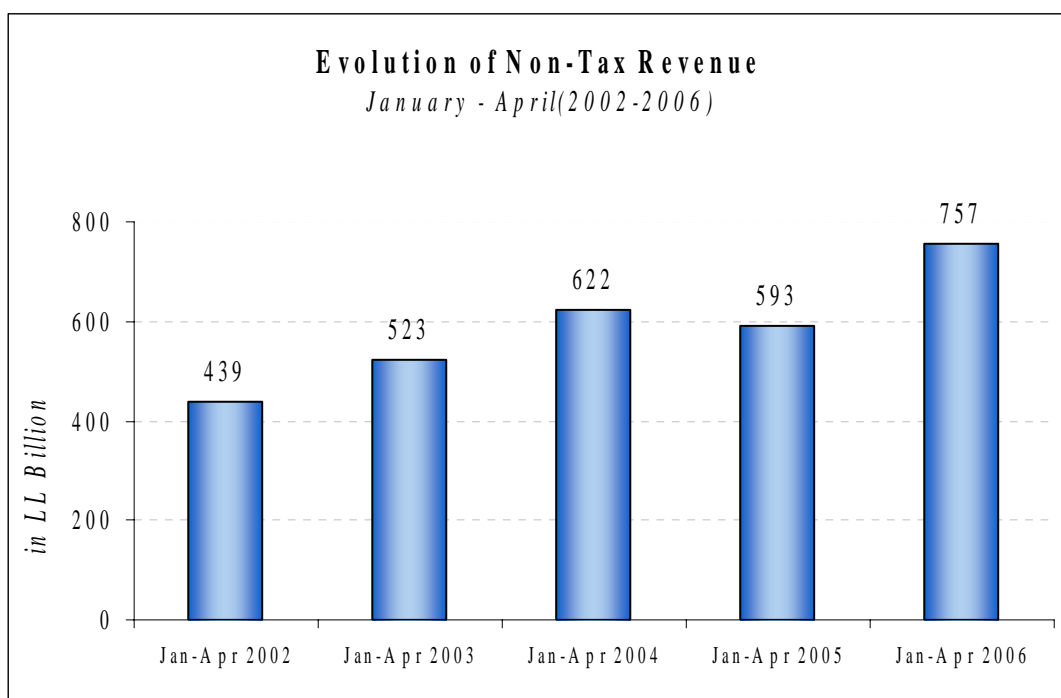
**Chart 2.**

**Table 4. Non-Tax Revenue**

| (LL billion)  | 2005<br>April | 2006<br>April | 2005<br>Jan-Apr | 2006<br>Jan-Apr | % Change     |
|---|---------------|---------------|-----------------|-----------------|--------------|
| <b>Non-Tax Revenues</b>   | <b>139</b>    | <b>150</b>    | <b>593</b>      | <b>757</b>      | <b>27.8%</b> |
| <b>Income from Public Institutions and Government Properties, of which:</b> | <b>102</b>    | <b>99</b>     | <b>460</b>      | <b>568</b>      | <b>23.5%</b> |
| Income from Non-Financial Public Enterprises, of which:                     | 99            | 97            | 443             | 554             | 25.1%        |
| <i>Revenues from Casino Du Liban</i>  | 5             | 4             | 24              | 13              | -48.4%       |
| <i>Revenues from Port of Beirut</i>   | 0             | 0             | 33              | 0               | -100.0%      |
| <i>Budget Surplus of National Lottery</i>                                   | 3             | 7             | 11              | 22              | 100.0%       |
| <i>Transfer from the Telecom Surplus</i>                                    | 90            | 85            | 374             | 519             | 38.7%        |
| Property Income (namely rent of Rafic Hariri International Airport)         | 3             | 2             | 16              | 12              | -22.8%       |
| Other Income from Public Institutions (interests)                           | 0             | 1             | 1               | 2               | 32.5%        |
| <b>Administrative Fees &amp; Charges, of which:</b>                         | <b>29</b>     | <b>43</b>     | <b>102</b>      | <b>155</b>      | <b>51.0%</b> |
| Administrative Fees, of which:  | 24            | 35            | 79              | 127             | 60.1%        |
| <i>Notary Fees</i>  | 1             | 2             | 5               | 6               | 18.0%        |
| <i>Passport Fees/ Public Security</i>                                       | 6             | 9             | 26              | 39              | 48.9%        |
| <i>Vehicle Control Fees</i>   | 12            | 19            | 34              | 62              | 81.8%        |
| <i>Judicial Fees</i>  | 2             | 1             | 6               | 7               | 22.1%        |
| <i>Driving License Fees</i>   | 1             | 2             | 4               | 7               | 68.7%        |
| Administrative Charges  | 2             | 1             | 8               | 7               | -7.0%        |
| Sales (Official Gazette and License Number)                                 | 0             | 0             | 1               | 1               | 19.5%        |
| Permit Fees (mostly work permit fees)                                       | 3             | 6             | 13              | 18              | 45.4%        |
| Other Administrative Fees & Charges   | 1             | 0             | 2               | 2               | -25.0%       |
| <b>Penalties &amp; Confiscations</b>  | <b>0</b>      | <b>0</b>      | <b>1</b>        | <b>2</b>        | <b>61.5%</b> |
| <b>Other Non-Tax Revenues (mostly retirement deductibles)</b>               | <b>8</b>      | <b>8</b>      | <b>29</b>       | <b>33</b>       | <b>12.2%</b> |

Source: MOF, DGF

**Chart 3.**



### Section 3: Expenditure Outcome

Total expenditures for January-April 2006 increased by 14 percent to LL 3,356 billion compared to LL 2,943 billion for the same period in 2005. This increase is mainly due to an increase in interest payments by 48 percent offsetting the decrease of 5 percent in non-interest payments, as explained below:

1. Debt service reached LL 1,363 billion in January-April 2006, increasing by approximately 48 percent compared to January-April 2005. Debt service on local currency debt increased by 83 percent, while debt service on foreign currency debt rose by 22 percent. The increase in debt service was mainly due to the rise in the weighted average cost of debt from 6.05% as at end-December 2004 to around 7.9 percent in December 2005.

2. Primary expenditures registered LL 1,993 billion in January-April 2006, a decrease of LL 31 billion from LL 2,024 billion for the same period in 2005. This decrease is due to a decline in current primary expenditures and other treasury expenditures, offsetting the increase in capital expenditures.

a. Current primary budget expenditures decreased by LL 31 billion. The increase in some items was more than counterbalanced by the decrease in other items as it is explained below:

- ✚ Materials and supplies (64 percent decrease): This decrease in 2006 spending was a direct result of the over-inflated spending that occurred in 2005 due to LL 90 billion payment of accrued electricity bills of public administrations due to EDL (for further details, please see the public finance quarterly reports for 2005 and the Public Finance Prospects, the MOF's yearly report on the Ministry of Finance's website).

✚ Various transfers (25 percent increase): This increase is mainly due to the transfer of LL 100 billion to the NSSF reported during January-April 2006 period, against a transfer of LL 50 billion reported during the same period of 2005. This increase was partially traded off by a decrease in the other transfers.

✚ Other current expenditures (21 percent decrease): This decrease resulted from a net balance of several trends that govern spending under this category. For instance, an increase was reported in the hospitals spending of 19 percent, meanwhile the item "others" reported a decline of 77 percent. This latter decline is explained by higher spending in 2005 resulting from the one-time payment of LL 34 billion to settle the arbitration decisions relating to the Ministries of Public Works and Education.

b. Capital spending increased by LL 25 billion compared to the same period in 2005 mainly due to the LL 18 billion transfer to Export Plus program (IDAL) classified under other expenditures related to fixed capital.

c. Other treasury expenditures decreased by LL 23 billion mainly due to the following major factors:

✚ decrease in transfers to municipalities by LL 8 billion

✚ decrease in direct transfers to EDL by LL 16 billion

✚ decrease in transfers to water authorities by LL 48 billion, noting that this transfer was used to pay the accrued electricity bill of water authorities.

On the other hand, an increase of LL 36 billion was reported in treasury advances for diesel oil subsidy, which partially offset the decrease in other treasury expenditures.

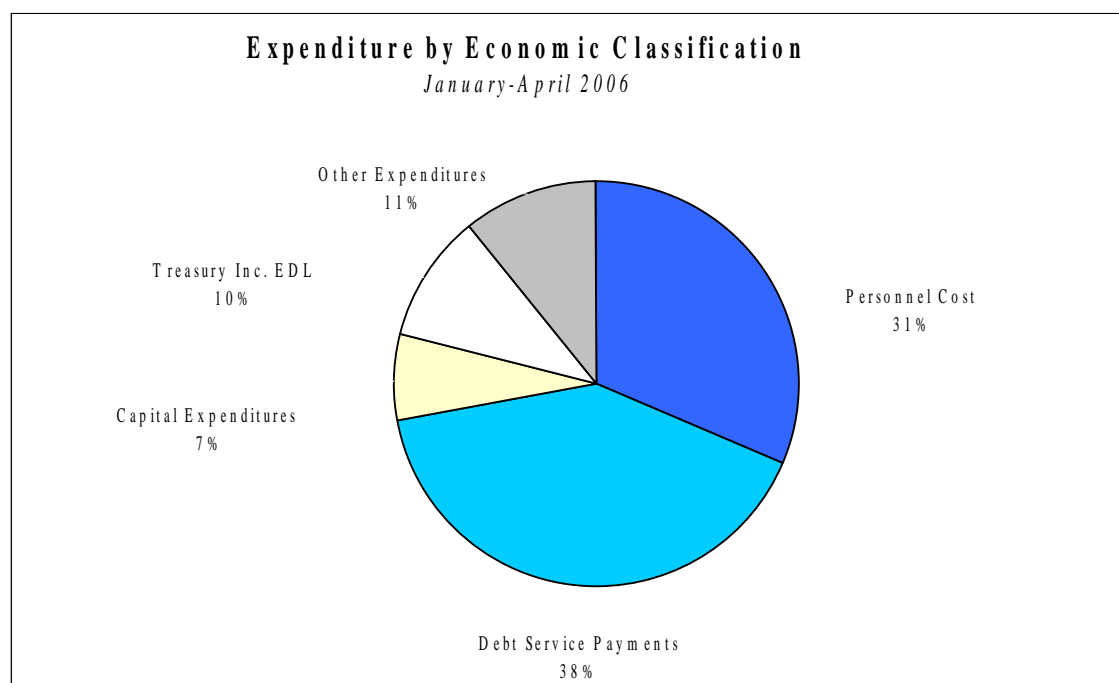
d. Transfers to EDL decreased by LL 64 billion when compared to January-April 2005 (please refer to Table 7). This is explained by the fact that, since September 2005, EDL has been obtaining its fuel oil and gas oil consumption through agreements with Sonatrach (Algeria) and Kuwait Petroleum Corporation (Kuwait). According to the credit facilities stipulated in the above mentioned agreements, the settlement of the fuel oil and gas oil purchases will start in June 2006.

**Table 5. Expenditures by Transaction Classification**

| (LL billion)   | 2005       | 2006       | 2005         | 2006         | %            |
|--|------------|------------|--------------|--------------|--------------|
|  | April      | April      | Jan-Apr      | Jan-Apr      | Change       |
| <b>Total Expenditures</b>  | <b>819</b> | <b>818</b> | <b>2,943</b> | <b>3,356</b> | <b>14.0%</b> |
| <b>Budget Expenditures</b>   | <b>658</b> | <b>770</b> | <b>2094</b>  | <b>2,476</b> | <b>18.2%</b> |
| Expenditures Excluding Debt Service                                      | 434        | 353        | 1,176        | 1,113        | -5.3%        |
| Debt Service, of which:  | 224        | 417        | 919          | 1363         | 48.4%        |
| <i>Local Currency Debt</i>   | 82         | 196        | 400          | 731          | 82.8%        |
| <i>Foreign Currency Debt, of which:</i>                                  | 142        | 220        | 519          | 632          | 21.8%        |
| <i>Eurobond Coupon Interest*</i>   | 132        | 206        | 439          | 550          | 25.2%        |
| <i>Concessional Loans Principal</i>                                      |            |            |              |              |              |
| <i>Payments</i>  | 7          | 11         | 41           | 46           | 12.3%        |
| <i>Concessional Loans Interest Payments</i>                              | 3          | 4          | 38           | 35           | -6.8%        |
| <b>Treasury Expenditures , of which:</b>                                 | <b>161</b> | <b>48</b>  | <b>849</b>   | <b>880</b>   | <b>3.7%</b>  |
| <i>Municipalities</i>  | 75         | 1          | 110          | 102          | -7.7%        |
| <i>Previous Years' Appropriations</i>                                    | 17         | 4          | 474          | 479          | 1.1%         |
| <b>Non-Interest Expenditures (Total Expenditures minus Debt Service)</b> | <b>595</b> | <b>401</b> | <b>2,024</b> | <b>1,993</b> | <b>-1.5%</b> |

Source: MOF, DGF

**Chart 4.**





**Table 6. Expenditures by Economic Classification**

| (LL billion)  | 2005<br>Jan-Apr | 2006<br>Jan-Apr | % Change      |
|---|-----------------|-----------------|---------------|
| <b>1. Current expenditures</b>  | <b>2,352</b>    | <b>2,765</b>    | <b>17.6%</b>  |
| 1.a Personnel cost, of which  | 1,042           | 1,053           | 1.1%          |
| Article 13: Salaries and wages  | 712             | 711             | -0.2%         |
| Retirement and end of service compensations   | 264             | 279             | 5.4%          |
| 1.b Debt Service payments   | 919             | 1,363           | 48.4%         |
| 1.c Materials and supplies  | 92              | 33              | -63.5%        |
| 1.d External services   | 25              | 31              | 21.9%         |
| 1.e Various transfers   | 137             | 172             | 25.5%         |
| o/w NSSF  | 50              | 100             | 100.0%        |
| 1.f Other current expenditures  | 106             | 84              | -20.9%        |
| Hospitals   | 61              | 73              | 19.3%         |
| Others  | 45              | 11              | -76.6%        |
| 1.g Reserves  | 32              | 29              | -8.4%         |
| Interest subsidy  | 32              | 29              | -8.4%         |
| <b>2. Capital expenditures</b>  | <b>205</b>      | <b>230</b>      | <b>12.0%</b>  |
| 2.a Acquisitions of land, buildings, for the construction of roads, ports, airports, and water networks | 2               | 6               | 251.0%        |
| 2.b Equipment   | 7               | 6               | -14.6%        |
| 2.c Construction in Progress  | 163             | 169             | 3.9%          |
| 2.d Maintenance   | 25              | 24              | -4.5%         |
| 2.e Other Expenditures Related to Fixed Capital Assets  | 9               | 25              | 169.2%        |
| <b>3. Other treasury expenditures, of which</b>   | <b>374</b>      | <b>351</b>      | <b>-6.2%</b>  |
| Municipalities  | 110             | 102             | -7.7%         |
| EDL   | 84              | 68              | -19.1%        |
| Treasury advances for water authorities   | 48              | 0               | -100.0%       |
| Treasury advances for diesel oil subsidy  | 12              | 50              | 327.5%        |
| <b>4. Unclassified expenditures</b>   | <b>4</b>        | <b>1</b>        | <b>-86.9%</b> |
| <b>5. Customs cashiers</b>  | <b>7</b>        | <b>9</b>        | <b>35.8%</b>  |
| <b>6. Total expenditures (excluding CDR foreign financed)</b>   | <b>2,943</b>    | <b>3,356</b>    | <b>14.0%</b>  |

Source : statement of account 36, cashier spending, Public Debt Department figures , Fiscal performance gross adjustment figures

**Table 7. Transfers to EDL**

| (LBP billion)                                    | 2005       | 2006      |                |
|--|------------|-----------|----------------|
|  | Jan-Apr    | Jan-Apr   | % Change       |
| <b>EDL of which:</b>                             | <b>132</b> | <b>68</b> | <b>-48.7%</b>  |
| <b>Debt Service of which:</b>                    | <b>51</b>  | <b>68</b> | <b>31.9%</b>   |
| C-Loans and Eurobonds, of which:                 | <b>51</b>  | <b>51</b> | -0.7%          |
| Principal Repayment                              | 38         | 37        | -1.3%          |
| Interest Payment                                 | 14         | 14        | 0.7%           |
| Loans for Fuel Oil Payment                       | 0          | 17        | 100.0%         |
| BDL Guaranteed Loan Payment                      | 0          | 0         | 0.0%           |
| <b>Treasury Advance for Fuel Purchase</b>        | <b>32</b>  | <b>0</b>  | <b>0.0%</b>    |
| <b>Treasury Advance for EDL' s Losses</b>        | <b>0</b>   | <b>0</b>  | <b>0.0%</b>    |
| <b>Material and Supplies (Electricity bills)</b> |            |           | <b>0.0%</b>    |
| <b>Treasury advance to Water Authorities</b>     | <b>48</b>  | <b>0</b>  | <b>-100.0%</b> |
| <b>Expropriations</b>                            | <b>0</b>   | <b>0</b>  | <b>0.0%</b>    |

Source: MOF, DGF

## **Section 4: Public Debt**

### **Highlights:**

1. By the end of April 2006, gross public debt reached LL 58,149 billion (equivalent to US\$ 39 billion), registering an increase of LL 118 billion (or 0.2 percent) over the end-December 2005 debt level.
2. Local currency debt amounted to LL 27,987 billion (equivalent to US\$ 19 billion), decreasing by LL 1,154 billion or 3.96 percent over the end-December 2005 level. This decrease is due to the large amounts of LL T-bills that matured during March and April 2006 and were financed by the surplus which existed in the Treasury accounts at the Central Bank.
3. By end-April 2006 foreign currency debt amounted to LL 30,162 billion (equivalent to US\$ 20 billion), increasing by LL 1,272 billion (or 4.4 percent) over the end-December 2005 level. This increase is due to the new issuance, during April 2006, of 2 simultaneous Eurobond transactions amounting to €175 million and US\$ 750 million.
4. As of end April 2006, BDL portfolio of Treasury bills continued to decline as appetite for Lebanese Pound denominated T-bills continued to be strong, especially by commercial banks. Accordingly, local currency debt held by BDL decreased by LL 3,330 billion up till April 2006 compared to end of December 2005. Meanwhile, local currency debt held by commercial banks increased by LL 2,004 billion up till the month of April 2006. This led to the 9.2 percent increase in gross market debt.
5. Public sector deposits amounted to LL 4,959 billion, decreasing by around LL 631 billion from their December 2005 level. The main reason behind the decrease is the repayment of the local currency debt that matured in March and April 2006.

**Table 8. Public Debt Outstanding by Holder as of End-April 2006**

| (LBP billion)   | Dec-03        | Dec-04        | Dec-05        | Apr-06        | Change<br>Dec 05 -<br>Apr 06 | % change<br>Dec 05 -<br>Apr 06 |
|---|---------------|---------------|---------------|---------------|------------------------------|--------------------------------|
| <b>Gross Public debt</b>  | <b>50,285</b> | <b>54,048</b> | <b>58,031</b> | <b>58,149</b> | <b>118</b>                   | <b>0.20%</b>                   |
| <b>Local currency debt</b>  | <b>26,843</b> | <b>26,371</b> | <b>29,141</b> | <b>27,987</b> | <b>-1,154</b>                | <b>-3.96%</b>                  |
| a. Central Bank (including REPOs and Loans to EDL to finance fuel purchases)* | 8,938         | 10,652        | 11,686        | 8,356         | -3,330                       | -28.50%                        |
| b. Commercial Banks   | 12,303        | 12,220        | 14,130        | 16,134        | 2,004                        | 14.18%                         |
| c. Other Local Currency Debt (T-bills)  | 5,603         | 3,500         | 3,325         | 3,497         | 172                          | 5.17%                          |
| <i>o/w Public entities</i>  | 2,564         | 2,187         | 2,446         | 2,644         | 198                          | 8.09%                          |
| <b>Foreign currency debt</b>  | <b>23,442</b> | <b>27,677</b> | <b>28,890</b> | <b>30,162</b> | <b>1,272</b>                 | <b>4.40%</b>                   |
| Ratio to total debt   | <b>46.6%</b>  | <b>51.2%</b>  | <b>49.8%</b>  | <b>51.9%</b>  |                              |                                |
| a. Bilateral, Multilateral and Foreign Private sector loans                   | 2,934         | 2,970         | 2,835         | 2,834         | -1                           | -0.04%                         |
| b. Paris II related debt (Eurobonds and Loans)                                | 3,731         | 3,814         | 3,682         | 3,736         | 54                           | 1.47%                          |
| c. BDL Eurobond (Paris II)  | 2,819         | 2,819         | 2,819         | 2,819         | 0                            | 0.00%                          |
| d. Market Eurobonds   | 13,631        | 17,686        | 18,729        | 19,901        | 1,172                        | 6.26%                          |
| e. Accrued Interest on foreign currency debt                                  | 327           | 388           | 406           | 453           | 47                           | 11.60%                         |
| f. Special Tbls in Foreign currency**   |               |               | 419           | 419           | 0                            | 0.00%                          |
| <b>Public sector deposits</b>   | <b>3,019</b>  | <b>4,360</b>  | <b>5,590</b>  | <b>4,959</b>  | <b>-631</b>                  | <b>-11.29%</b>                 |
| <b>Net debt</b>   | <b>47,266</b> | <b>49,688</b> | <b>52,441</b> | <b>53,190</b> | <b>749</b>                   | <b>1.43%</b>                   |
| <b>Gross Market debt***</b>   | <b>29,638</b> | <b>31,861</b> | <b>34,759</b> | <b>37,956</b> | <b>3,197</b>                 | <b>9.20%</b>                   |
| <b>% of total debt</b>  | <b>59%</b>    | <b>59%</b>    | <b>60%</b>    | <b>65%</b>    |                              |                                |

Source: Ministry of Finance, Banque du Liban

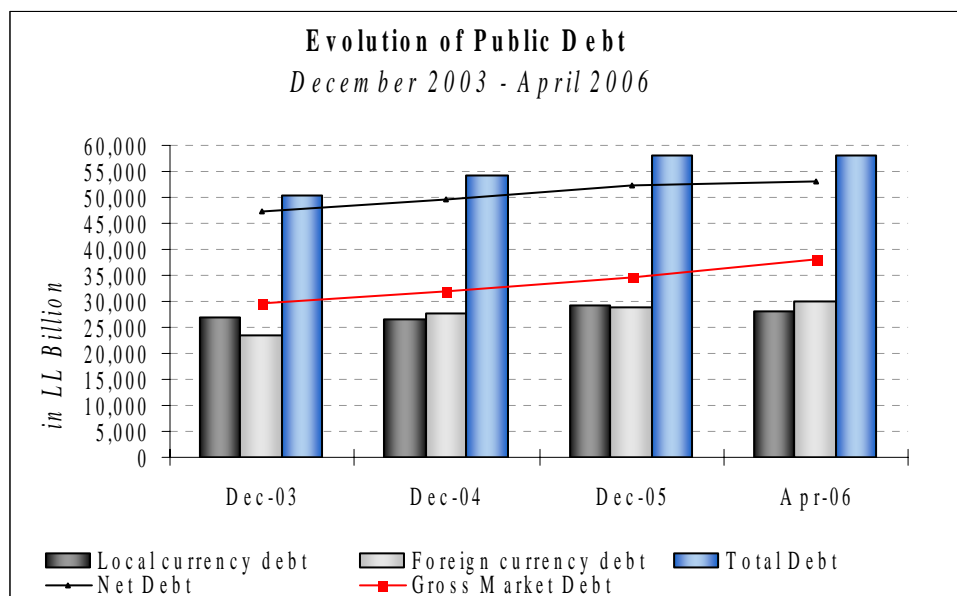
Notes:

\* The BDL has extended loans to EDL for the equivalent amount of US\$ 300 million to purchase fuel oil. These loans are listed as Public debt as they are government guaranteed.

\*\* Special Tbs in Foreign currency (expropriation bonds)

\*\*\* Gross market debt equals gross debt less the portfolios of the BDL, NSSF, bilateral and multilateral loans, and Paris II related debt.

**Chart 5.**





For further information please contact:

**Ministry of Finance**

UNDP Project

Tel: 961 1 981057/8

Fax: 961 1 981059

E-mail: [infocenter@finance.gov.lb](mailto:infocenter@finance.gov.lb)

Website: [www.finance.gov.lb](http://www.finance.gov.lb)